



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 29.3.2004
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Proposal for a

COUNCIL DECISION

on the position to be adopted by the Community within the ACP-EC Council of Ministers regarding a decision on the use of the reserve of the long-term development envelope of the ninth European Development Fund

(presented by the Commission)

EXPLANATORY MEMORANDUM

The European Community plays an active role in the preparation and implementation of new initiatives in support of developing countries. Such initiatives in favour of ACP countries make substantial contributions to poverty reduction, which is the main objective of both the ACP-EC Partnership Agreement signed in Cotonou on 23 June 2000 and the Community Development policy.

Since the initial programming of the 9th EDF regional envelope, new initiatives have emerged which address specific needs that have arisen within the existing priorities of ACP countries, as well as EU development policy priorities.

However, the amount initially earmarked for intra-ACP co-operation under the 9th EDF (€300 million) is too limited to cover all initiatives. For this reason, 9th EDF reserves have been mobilised in the past for new initiatives, such as contributions to the Global Fund to Fight HIV/aids, Malaria and Tuberculosis (GFATM), debt reduction and capacity building in various areas.

Additionally, the amount of €4 million referred to in paragraph 3 (a) (iii) (Joint Parliamentary Assembly) of Annex I – Financial Protocol of the ACP-EC Partnership Agreement has been fully committed and extra funds are needed to reinforce its role as a consultative body.

Given that funds earmarked for the Joint Parliamentary Assembly under the long-term development envelope are fully committed, and the 9th EDF envelope for regional co-operation is fully absorbed, no additional funds are available for new initiatives. Under these circumstances, in accordance with paragraph 8 of Annex I – Financial Protocol of the ACP-EC Partnership Agreement, the ACP-EC Council of Ministers can take appropriate measures, which can be applied when funds provided for in any of the instruments of the Agreement are exhausted.

Against this background, the Commission proposes that the Council should adopt the enclosed decision on the transfer of €172 million from the reserve of the 9th EDF long-term development envelope subject to agreement by the ACP-EU Council of Ministers. This amount will be used for the following purposes:

1. JOINT PARLIAMENTARY ASSEMBLY

€2 million

Article 17 of the Cotonou Agreement states that, as a consultative body, the Joint Parliamentary Assembly should promote democratic processes through dialogue and consultation; facilitate greater understanding between the peoples of the European Union and ACP States and raise public awareness of development issues; discuss issues pertaining to development and the ACP-EU Partnership; adopt resolutions and make recommendations to the Council of Ministers with a view to achieving the objectives of the ACP-EC Partnership Agreement.

Paragraph 3 (a) (iii) of Annex I - Financial Protocol of the Partnership Agreement sets aside €4 million for these purposes. Being fully committed, a transfer of €2 million from the reserve of the long-term development envelope of the ninth European Development Fund to the Joint Parliamentary Assembly allocation is needed to ensure continued implementation of the purposes referred to in Article 17.

2. INTRA-ACP CO-OPERATION UNDER REGIONAL CO-OPERATION ENVELOPE

€170 million

2.1. NATURAL RESOURCES (€60 MILLION)

Capacity Building in Environmental management and implementation of Multilateral Environmental Agreements

ACP countries need to negotiate and implement a number of Multilateral Environmental Agreements and Conventions (e.g. Desertification Convention (UNCCD), UNFF, CITES, Plant Genetic Resources Treaty, Chemicals Conventions, Aarhus Convention, Climate Change, etc.). Capacity building would include: i) strengthening their capacity to negotiate the agreements, ii) support for the ratification process, iii) implementing measures foreseen in the Conventions, including activities to increase countries' adaptive capacity to the adverse effects of climate change, drought, land degradation and other threats to the environment. Activities will include support for the strengthening of networks involving civil society representatives and indigenous community-based organisations. A network of management units based with ACP Regional bodies could be also set up.

The EC Biodiversity and the Life Sciences & Biotechnology Action Plans entrust the Commission with the responsibility to support inter alia: i) the formulation of national policies to maintain plant and animal stocks and ii) capacity building activities to define intellectual property rights in relation to biodiversity, and to develop supportive frameworks for equitable access and benefit sharing. Similarly, under the Biosafety (Cartagena) Protocol donors have the responsibility to build capacity and enhance the ability of institutional and non-institutional stakeholders to take informed and responsible decisions with respect to trans-boundary movements of GMOs.

Several UN Agencies (e.g. FAO, UNEP, UNITAR) have multilateral environmental programmes of actions of a clearly trans-regional nature which could be supported with Intra-ACP resources.

These activities would cover all regions in the ACP group of countries. An indicative amount of €30 million is needed to implement them.

EU Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT)

The Commission launched an EU Initiative for Forest Law Enforcement, Governance and Trade (FLEGT) at the Johannesburg Summit. A Communication on an EU FLEGT Action Plan was subsequently published in May 2003, and Council Conclusions were adopted in October of the same year.

The Action Plan sets out a new approach to tackling illegal logging, which seeks to link the promotion of good governance in developing countries with the legal instruments and leverage offered by the EU internal market. The core components of the Action Plan are support for improved governance in wood-producing countries, and a licensing scheme to ensure only legal timber enters the EU. The licensing scheme for timber imports will be implemented on a voluntary (but binding) basis through a series of partnerships with badly affected wood-producing countries.

Intra-ACP funds would support the technical assistance required to develop these partnerships in target countries and regions, these including Papua New Guinea (Pacific); Central African Republic, Ghana (West Africa); Guyana and Surinam (Caribbean). An indicative amount of €10 million is needed to implement these purposes.

Fisheries

Representatives from the ACP countries expressed their concern at the insufficient funds allocated to the programme “Strengthening Fisheries Management in African, Caribbean and Pacific Countries” (ACP Fish II). This programme is one of the core initiatives in fisheries under the 9th EDF. Resources were largely insufficient given the high number of potential beneficiaries (more than 50 countries).

A feasibility study conducted by FAO and submitted in December 2003 identified projects in African, Caribbean and Pacific regions for an amount largely exceeding the initially earmarked resources of €11.5 million. Such projects are consistent with the objectives and approach of the ACP Fish II programme. Extra funds of an indicative amount of €20 million are needed to cover the identified gap.

2.2. PRIVATE SECTOR SUPPORT AND INFORMATION AND COMMUNICATION TECHNOLOGIES (€65 MILLION)

Action Plan on Agricultural Commodities and the EU-Africa Cotton partnership

ACP countries have on several occasions expressed the need to improve the competitiveness of commodities and reduce the vulnerability of producers in the most commodity-dependent developing countries. The Council also requested the Commission recently to duly examine the problems of cotton-dependent countries. The proposed Action Plan on Agricultural Commodities identifies a range of activities designed both to improve competitiveness and to reduce vulnerability, the cotton partnership being considered as a specific spin-off of this Action Plan. Both plans correspond to political commitments and were adopted as Communications by the Commission on 12 February 2004.

This request would allow targeted co-operation on agricultural commodities with international organisations in the specific areas identified in the Communication. The cotton-related actions include measures in the field of vertical chain integration, research, design and implementation of a Universal Cotton Classification, and market-based price insurance instruments. These actions will have important leverage effects for other actions initiated under EU Member States patronage or other developed countries.

An indicative amount of €45 million is needed for implementation of the ACP-EU Action Plan on Agricultural Commodities (€30 million) and of the EU-Africa cotton partnership (€15 million).

ACP Information and Communication Technology Programme

Following a request from the ACP Committee of Ambassadors to conduct a feasibility study in 2003, this project was confirmed as a priority in the “ACP-EU Joint position on Information Society for Development” in December 2003. It will contribute to the creation of an African ICT industry and support the integration of ICT in EU development activities. The programme will bring clear economic benefits to ACP countries by creating employment in a booming sector and easing their integration in the world economy.

The new resources will be used for: (1) **Regulatory reforms**: to provide new telecommunication regulations to enable cost reductions, improved services and market expansion; (2) **Capacity building**: to provide training for young high-school graduates for the development of software; (3) **Venture capital**: to fund ICT activities of SMEs in ACP countries; (4) **e-Government**: to stimulate the development of applications through government procurement, enabling the creation of a national IT industry.

An indicative amount of €20 million is needed to implement these purposes.

In the context of the World Summit for Information Society, developing countries' further needs for ICT-related projects should also be financed out of National Indicative Programme resources.

2.3. METHODOLOGICAL SUPPORT AND CAPACITY BUILDING (€25 MILLION)

Migration Capacity Building Facility

It should be underlined that there are already different financial sources for the integration of migration issues into development policy. (a) Migration-related activities that produce direct **synergies with existing development priorities** should be financed out of existing EDF country allocations. (b) Support for **refugees** continues to be financed out of the humanitarian assistance budget line or – where the LRRD approach can be applied – the EDF. (c) Migrant-related programmes in ACP countries that involve **south-north migration** (migrants wishing to travel to the EU, migrants already residing in the EU, or migrants returning from the EU) should in principle be financed under the newly created ENEAS programme (budget line 190203 ex B7 667).

Complementary to these mechanisms, the Commission is currently exploring possibilities of setting up an **intra-ACP Migration Capacity Building Facility**. This facility would finance regional and cross-border programmes aimed at migrants and migration flows to and from ACP countries. The facility would focus on **south-south migration** and would aim to:

- Build regional analytical and statistical expertise on migration flows and migration-related issues in the ACP region.
- Improve ACP capacities to design and implement migration policies and strategies that are conducive to the development process.
- Enhance, through information dissemination and technical assistance, institutional ACP capacity for effective and humane migration management.

An indicative amount of €25 million is needed to implement the purposes referred to above.

2.4. OTHER (€ 20MILLION)

Strategic Partnership with UN

The ACP-EC partnership is committed to working together towards achieving the objectives of poverty eradication, sustainable development and the gradual integration of ACP countries into the world economy. The world's leaders, in adopting the Millennium Declaration in 2000, reaffirmed the role of the UN and committed the world community to the fight for development and against poverty. The ACP-EC partnership will largely benefit from improved co-operation between the UN and the EC.

The EC's development strategy is concerned with improving the quality and impact of policies and activities with ACP countries by clarifying the Community's role within the UN context and by closer co-operation with those UN organisations whose mandate and capacities match ACP-EC development policy priorities. The main goals of the strategic partnership are "to strengthen the involvement of the EC in upstream policy dialogue and to build a more transparent, financially predictable and easier to monitor partnership with chosen UN agencies, funds and programmes" (COM(2001)231: Communication on Building an effective partnership with the United Nations in the fields of development and humanitarian affairs).

An indicative amount of € 10 million is needed to implement the purposes referred to above, in particular in the areas of governance and post-conflict situations.

Support for the implementation of intra-ACP programmes

The ACP-EC partnership is committed to improve the impact of intra-ACP activities. As an important part of this project-related approach, it is often necessary to assist in delineating intra-ACP interventions in various development sectors, assist in the preparation of specific programme proposals and allow undertaking a number of evaluation exercises. An indicative amount of € 10 million is needed to implement the purposes referred to above.

For the reasons set out above, the Commission proposes that the Council should adopt the attached decision on the use of the reserve of the long term development envelope of the ninth European Development Fund.

Proposal for a

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 310 in conjunction with the second subparagraph of Article 300(2) thereof,

Having regard to the proposal from the Commission,

Whereas:

- (1) Article 15 of the ACP-EC Partnership Agreement signed in Cotonou on 23 June 2000 establishes an ACP-EC Council of Ministers with powers to take decisions in accordance with the Agreement, and Paragraph 8 of Annex I allows the Council of Ministers to take appropriate measures where the funds provided for in any of the instruments of the Agreement are exhausted.
- (2) Funds from the 9th EDF for the Joint Parliamentary Assembly and for Regional Co-operation and Integration are exhausted. The Community's position within the ACP-EC Council of Ministers should therefore be established with a view to its adopting a decision on the use of the reserve of the long-term development envelope the ninth European Development Fund,

HAS DECIDED AS FOLLOWS:

Article 1

The Community shall adopt the following position within the ACP-EC Council of Ministers on the use of the reserve of the long-term development envelope of the ninth European Development Fund, based on the attached draft decision of the ACP-EC Council of Ministers.

Done at Brussels,

*For the Council
The President*

ANNEX

Draft

DECISION OF THE ACP-EC COUNCIL OF MINISTERS

on the use of the reserve of the long-term development envelope of the ninth European Development Fund

THE ACP-EC COUNCIL OF MINISTERS,

Having regard to the ACP-EC Partnership Agreement signed in Cotonou on 23 June 2000, and in particular Paragraph 8 of its Annex I,

Whereas:

- (1) Funds for the Joint Parliamentary Assembly under the 9th EDF long-term development envelope and for regional co-operation and integration are exhausted.
- (2) To ensure continued implementation of the purposes referred to in Article 17 of the ACP-EC Partnership Agreement (Joint Parliamentary Assembly), it is appropriate to allocate supplementary resources to this effect.
- (3) To ensure contributions to efforts of capacity building in environmental management and implementation of multilateral environmental agreements, the establishment of an ACP-EU Action Plan for Forest Law Enforcement, Governance and Trade (FLEGT), and the strengthening of fisheries management in African, Caribbean and Pacific Countries, it is appropriate to allocate supplementary resources to this effect.
- (4) To ensure support for producers in the most commodity-dependent ACP countries, to improve competitiveness and reduce vulnerability, as well as promoting information and communication technologies in ACP countries, it is appropriate to allocate supplementary resources to this effect.
- (5) To ensure methodological support and capacity building in the field of migration and regional co-operation, focusing on south-south migration, it is appropriate to allocate supplementary resources to this effect.
- (6) To ensure closer co-operation with those UN organisations whose mandate and capacities match ACP-EC development policy priorities, in particular in the areas of governance and post-conflict situations, and improve the impact of intra-ACP activities, it is appropriate to allocate supplementary resources to this effect,

HAS DECIDED AS FOLLOWS:

Article 1 – Joint Parliamentary Assembly

An amount of €2 million shall be transferred from the reserve of the long-term development envelope of the ninth European Development Fund to the Joint Parliamentary Assembly allocation under long-term development envelope, in accordance with the purposes stated in Article 17 and Protocol 1 of the ACP-EC Partnership Agreement.

Article 2 – Intra-ACP Co-operation under the Regional Co-operation Envelope

An amount of €170 million shall be transferred from the reserve of the long-term development envelope of the ninth European Development Fund to the allocation for intra-ACP Co-operation under the regional co-operation envelope, in accordance with the purposes stated in Articles 28, 29 and 30 of the ACP-EC Partnership Agreement. This amount can be used for the following purposes:

- 2.1 Natural resources (€60 million), for actions in the field of environment and natural resources (including fisheries scientific and technical assessment, control and surveillance).
- 2.2 Private sector support and Information and Communication Technologies (€65 million), for actions to support producers in the most commodity-dependent ACP countries and to promote information and communication technologies in ACP countries.
- 2.3 Methodological support and Capacity Building (€25 million), for the setting-up of an intra-ACP Migration Capacity Building Facility.
- 2.4 Strategic Partnership with the UN and support for the implementation of intra-ACP programmes (€ 20 million), for the strengthening of co-operation with UN organisations closest to ACP-EC development policy priorities, in particular in the areas of governance and post-conflict situations, and improving the impact of intra-ACP activities.

Article 3

The Chief Authorising Officer of the EDF is requested to take the measures necessary to give effect to this Decision, which shall enter into force on the day it is adopted.

Done at

*For the ACP-EC Council of Ministers
The President*